PRP COMMITTEE FOR THE NL INDUSTRIES/TARACORP SITE

Contact:

Dennis P. Reis
Sidley & Austin
One First National Plaza
Suite 5400
Chicago, IL 60603

August 31, 1990

Brad Bradley (5HS-11)
United States Environmental
Protection Agency
230 South Dearborn Street
Chicago, IL 60604

Re: NL Industries/Taracorp Site, Granite City, IL

Dear Mr. Bradley:

I. Introduction.

This correspondence constitutes the good faith offer of the parties identified in Exhibit A in response to the Special Notice Letter issued by the United States Environmental Protection Agency ("U.S. EPA") for the NL Industries/Taracorp Superfund Site in Granite City, Illinois. In making the offer, the parties express their willingness to conduct an RD/RA. The offer is made without any admission of fact or liability by any of the parties listed in Exhibit A, and each party reserves all rights it may have at law or in equity to maintain or defend against any claim or demand whatsoever concerning the Granite City site and surrounding area. In addition to this correspondence (which summarizes the offer, responds to and comments on certain aspects of the Special Notice Letter, Record of Decision, and Scope of Work, and discusses matters collateral to the offer), the good faith offer consists of the following documents:

- Exhibit A, a list of parties who are participating in this good faith offer.
- Exhibit B, a critique of U.S. EPA's use of the Integrated Uptake/Biokinetic Model as discussed in Appendix B of Attachment I to the Special Notice Letter. This document constitutes a portion of our element by element response to the agency's Record of Decision.

- Exhibit C, a revised Scope of Work, which serves as our element by element response to the agency's Scope of Work and a description of the work plan.

- Exhibit D, comments and, where appropriate, proposed revisions to the Model Consent Decree. This exhibit incorporates our willingness to reimburse U.S. EPA for oversight costs as set forth in CERCLA and our position on release from liability and reopeners to liability.

II. Parties participating in this good faith offer.

Over the course of recent months, U.S. EPA has identified as potentially responsible parties 362 vendors or customers of the facility operated by NL Industries and Taracorp for the better part of this century. The parties fashioning this offer are a subset of the 362 identified by the agency. Please note that the list of parties to this offer does not include NL Industries.[1] The parties to this offer and NL Industries have settled neither their potential differences about sharing costs incurred in cleaning the smelter NL Industries owned and operated for half of this century nor the form a good faith offer should take. Consequently, we[2] have not been able to form a group which includes NL Industries. Nevertheless, we are aware that NL Industries is also making an offer to U.S. EPA. While we have been apprised of the general outline of the offer during negotiations, we are not privy to its final form. We assume U.S. EPA would prefer that the parties participate in a common effort and will continue to push the parties in that direction.

---

[1] We are aware that the smelter was operated for a few years by Taracorp. We understand that Taracorp has been subject to a bankruptcy proceeding and that NL Industries and Taracorp have entered into a settlement in which NL Industries may have agreed to indemnify Taracorp for any claims resulting out of the conduct of certain response activities at the site. Since NL Industries ran the facility for a substantial portion of its operations and Taracorp has not actively participated in response activities to date, for the present, we regard NL Industries as the principal party with which we must settle our disputes about the propriety of requiring customers to clean up a business run by a viable operator. Nevertheless, we waive no rights against Taracorp.

[2] The term "we" as used throughout this letter refers to the parties to this offer.

However, until we reach agreement, our offer must remain contingent on the inclusion of NL Industries in the final consent decree.

As certain parties to this offer noted to U.S. EPA during the period before issuance of the Special Notice Letter, it is difficult to focus the attention of identified potentially responsible parties until after receipt of the Special Notice Letter. When the list is as expansive as that issued by U.S. EPA, it invariably includes many parties who have not previously participated in the Superfund process and who must take time to determine the nature of their liability and the appropriate means for participating in the process.

This site was no exception. Before receipt of the Special Notice Letter, a small nucleus of parties worked to unite a larger number into a cohesive group, but progress was slow. Since receipt of the letter, a site group has been formed and a method for funding the group's activities has been implemented. Because we were not asked to participate in the RI/FS at the site, our efforts in the early months (beginning shortly after receipt of the initial notification from U.S. EPA in December, 1989 that smelter customers had been identified as potentially responsible parties) necessarily focused on simply understanding the history of interaction between NL Industries and Taracorp on one hand, and the U.S. EPA on the other, and obtaining and analyzing technical documents. The group then turned its attention to responding to the Special Notice Letter. While the Special Notice Letter brought a larger number of parties into the fold, a certain amount of time was necessary to apprise those parties that were not familiar with the Superfund program how the system created by the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., functions. Additional time was required for the group to reach consensus regarding what it would be willing to do. Sixty days is not much time for a large group of parties to perform these tasks and reach agreement about serious decisions regarding response activities. While more time would have been fruitful in responding to the agency's request, we have decided not to request it at this juncture because we believe the offer set forth in this correspondence is sufficiently detailed for the agency to continue negotiations with the group with confidence and assurance that a settlement can be reached within the 120-day moratorium period required under CERCLA § 122(e).

III. Summary of the good faith offer.

A. Outline of proposed remedial activities.

We expect that U.S. EPA will focus its attention on the Record of Decision and accompanying Scope of Work to determine which of the tasks we have agreed to perform. We refer you to Exhibit C for our revised Scope of Work. With one exception, we have generally expressed a willingness to perform all the identified tasks. We have discussed that exception below. First, however, we would like to address minor differences. Certain tasks involve improvements to land currently owned by Taracorp and Trust 454 for the benefit of St. Louis Lead Recyclers. For instance, the Scope of Work requires that parties construct a fence around the Taracorp property. Since Taracorp continues to own and operate a business on the property and will receive a benefit from the fence, Taracorp should construct its own fence. Similarly, response activities at the site owned by Trust 454 will directly benefit that property and should be undertaken by the property owners.

We turn then to the area where our offer differs from the Record of Decision and Scope of Work. In its Record of Decision, U.S. EPA requires that the remedial action lower the soil concentration of lead in residential neighborhoods to no greater than 500 ppm. We have proposed a cleanup level of no greater than 1,000 ppm with a lower level to be chosen, if necessary, based on the result of site data gathered specifically to determine the risk, if any, posed by soil lead concentrations.[3] The data we propose to gather is very similar to that U.S. EPA proposed to gather through the tasks set forth in its Record of Decision. To determine the impact of current soil lead levels on the affected population, we propose a health assessment survey as set forth in the modified Scope of Work.

---

[3] We note that the Group has committed to clean to a level of 1,000 even if the study indicates that a higher level is warranted. The Group has decided to offer this cleanup level in the spirit of compromise and in recognition of the fact that the agency will want to follow its guidance when used in combination with appropriate site factors. Whatever the legal status of the agency's guidance under principles of administrative law, a 1,000 ppm level does fall within the range recommended in the guidance. While the guidance also provides the agency with the discretion to set higher levels, we believe that offering a level within the range set in the guidance will help demonstrate our good faith in addressing the cleanup of this site and assuring that the area is rendered safe.

Generally, we propose to identify the population whose blood should be sampled to develop a statistically significant database and collect and analyze the samples. As necessary to correlate blood levels with existing conditions in the nearby environment, the survey would include the collection of soil samples, house dust samples, and other relevant data (for example, the presence of leaded paint) at the homes of children whose blood has been sampled and analyzed. The survey should demonstrate whether lead in soil has created an unacceptable health risk in the area of the Granite City smelter and will provide a means to determine the level of cleanup necessary to eliminate any unacceptable risk.

We further propose that we and the agency use the results of the survey to determine what soil cleanup level is warranted. As noted, we are willing to clean to the upper range of U.S. EPA's guidance document even if the analysis indicates that a higher level may be warranted. The data would be used to determine only whether a cleanup level of less than 1,000 ppm may be appropriate. The reasons for our departure from the Record of Decision are the subject of the attachments to this letter, but we will summarize those reasons in the following overview.

U.S. EPA states in its Record of Decision that its choice of 500 ppm lead concentrations in soil as a trigger for soil cleanup is based on a guidance document and Appendix B to the Record of Decision. Nothing else in the record directly addresses the quantitative relationship between lead soil levels at the Granite City site and potential blood lead levels in the surrounding populace, the recognized indicator of an adverse health impact. We recognize it can be difficult to determine what level of cleanup is appropriate to reduce blood levels. The scientific community has yet to agree on the threshold level for lead and is having difficulty determining what it should be. Worries about the health of children have driven acceptable exposure levels down, and the past few years have seen increasingly stringent requirements for soil cleanup. That risk may exist, however, begs the question of what level of cleanup is appropriate to reduce or eliminate the risk. In light of the recent withdrawal of the reference dose for lead, the agency claims it has been left with little guidance for setting limits. In response, the agency has issued a guidance document stating that the appropriate level for soil cleanup should probably lie within the 500 to 1,000 ppm range.

The guidance specifically states that the entire range is protective in residential soil. It also states that variances from the guidance may be justified in either direction based on

site-dependent characteristics, but the guidance is silent about what characteristics should be considered.[4]

Unfortunately, Region V has not used the guidance document as the guidance itself requires. The document does not support the proposition advanced by U.S. EPA both prior to and after the comment period on the proposed Record of Decision that 500 ppm is the preferred level in a residential area. As noted, the guidance document specifically states that the 500 to 1,000 ppm range is considered protective in residential areas. The guidance document has not been superseded. Thus, choosing a level at the lower end of the spectrum simply because the agency is addressing the cleanup of residential soil is inappropriate. The agency discusses the presumed bioavailability of smelter lead as another reason for selecting a value at the lower end of the spectrum, yet the guidance on which the agency's position depends expressly states that the agency has not developed a position on the role bioavailability of lead should play in determining cleanup levels.[5]

U.S. EPA's response to comments regarding the agency's stated reliance on the guidance documents were, to say the least, interesting. Apparently recognizing the weakness of its record,

---

[4] As noted in comments previously submitted to the proposed Record of Decision, the use of a guidance document without consideration of other relevant factors constitutes improper rule making. It is no surprise, then, that OSWER Directive #9355.4-02, Interim Guidance on Establishing Soil Lead Cleanup Levels at Superfund Sites, requires U.S. EPA to consider site-specific criteria.

[5] U.S. EPA's claim that the 500 ppm standard is justified by the fact the cleanup standard addresses residential soils differs remarkably from an explanation provided to one of us by an OSWER-Guidance and Oversight Branch representative, who stated that the agency's decisions on choosing a level within the range should be influenced not by whether the standard will address residential soil, but rather by the nature of the neighborhood around the residences. According to that contact, if the neighborhood lies within a broader industrial or inner city area, a higher standard may be appropriate; if in a rural setting, a lower setting may be appropriate. In the present case, the higher standard would be appropriate if one accepts this interpretation of the guidance. Also, the agency's discussion of bioavailability assumes that any measure of bioavailability of the lead at the Granite City site would show that it is high. No such measurement has been conducted.

the agency decided to expand the factors it claimed to rely on in reaching its decision. As the Record of Decision and its appendices specifically indicate, the agency relied on the use of the Integrated Uptake/Biokinetic Model to choose a cleanup level at the low end of the 500 to 1,000 ppm range. We note that the U.S. EPA modeling appended to its Record of Decision was not made available by U.S. EPA during the comment period.

Exhibit B sets forth an extensive critique of U.S. EPA's modeling efforts. The critique explains in detail the usefulness of modeling, as well as its shortcomings where relationships between model parameters are uncertain or relevant data is lacking. In particular, the critique demonstrates that U.S. EPA's choices of default factors (factors which substitute presumed values for site-specific measurements where the latter have not been taken) do not reflect probable conditions at the Granite City site and are not based on applicable data recognized by U.S. EPA. When appropriate values are used, the model's determination of the health impact of soils at 1,000 ppm lead does not exceed, indeed does not come near, those considered detrimental to human health in Appendix B of Attachment I to the Special Notice Letter. Thus, Appendix B does not support the agency's choice of a 500 ppm level.

We have legitimate reasons for focusing on cleanup levels. Congress has mandated that cost-effectiveness be addressed as a factor in remedy selection. 42 U.S.C. § 9621. However, U.S. EPA's analysis did not adequately address cost-effectiveness in its Record of Decision.[6] The agency never considered whether an incremental gain, if any, in health benefits is justified by the increased cost. Discussion of such issues is often relatively difficult since all models which attempt to correlate health effects of lead in soil will probably show that more stringent cleanup levels result in some reduction in blood lead levels. The issue, however, is whether a given reduction in soil levels leads to a perceptible health benefit, not whether a negligible reduction in blood levels will occur whatever the expense. Exhibit B indicates that the marginal

---

[6] U.S. EPA's entire analysis was presented the following single sentence:

> The selected remedy is implementable and provides the elimination of direct contact with and inhalation of soils and waste materials contaminated with lead at concentrations above levels which may present a risk to public health in a comparable or smaller time frame and cost than other alternatives which achieve this goal.

improvement in blood levels traceable to reducing soil lead from 1,000 ppm to 500 ppm is negligible. Exhibit B uses currently accepted data; U.S. EPA in its Record of Decision depends on outdated information for setting default values. Exhibit B also uses data from sites similar to Granite City to calibrate U.S. EPA's model; U.S. EPA's model does not.

Despite the fact that Exhibit B requires the conclusion that a 1,000 ppm level is adequate, we are willing to stake the results of our critique on real data to be gathered through the proposed health survey assessment. In fashioning our offer, we have relied on several statements made by U.S. EPA in its Record of Decision and accompanying documents. We noted that the agency believed the best approach to determine clean up levels was to use the Integrated Uptake/Biokinetic Model and that U.S. EPA had specifically adopted 15μg/dl as the action level for elevated blood lead concentrations. We further noted that the agency considered a distribution in which about 8.4% of the blood lead levels exceeded the action levels to be sufficiently protective of human health and the environment. Finally, we noted that moving the predicted percentage of children with blood lead levels in excess of 15μg/dl from 34.3% to 8.4% (a difference of about 26%) apparently justified, in the agency's judgment, an increase in expense from $6.8 million to $28.5 million (an increase of about $22 million).

In suggesting that a blood lead study be performed, the agency also stated that the study could be used to "determine exactly which areas must excavated and to what depth." Accordingly, U.S. EPA views the model as a useful working tool for determining cleanup levels. We note the guidance document states: "Blood-lead testing should not be used as the sole criterion for evaluating the need for long-term remedial action at sites that do not already have an extensive, long-term blood-lead data base." We do not propose that the blood-lead tests serve as the sole criterion. Rather, the tests are one of several criteria necessary for reaching a final cleanup level, including U.S. EPA's guidance document. Like U.S. EPA's proposal, ours will assure that the chosen cleanup lies within the range recommended by the guidance document irrespective of the outcome of the study and will be protective of human health and the environment.

U.S. EPA expressed concerns in its comments that the continuing presence of lead at the site dictates against further study and in favor of action. U.S. EPA had hoped that the planned blood lead study would be completed in the summer of 1990, but we have learned that the study cannot occur until next year. We are disappointed that the opportunity for conducting

the study this year has passed. In any event, our proposal, consistent with the agency's concerns, will move work forward without delay. Many of the tasks required in the Record of Decision would be implemented immediately, and a generic work plan for residential cleanup can be developed now and implemented immediately on completion of the blood-lead study and the analysis of its results. We do not contemplate that the survey will result in substantial delay of the final cleanup. Furthermore, if the survey determines that less cleanup than set forth in the Record of Decision is appropriate, the cleanup schedule will be shorter than originally envisioned. The short-term risks due to disturbance of lead-bearing soils, entrainment into the air, and redeposition in the neighborhood, as well as the considerable risk to local children and other residents from the substantial increase in traffic from earth-moving equipment during the course of remedial activities, will be greatly reduced if cleanup of fewer areas is necessary.

B. Use of the site-specific data to determine a final cleanup level.

The primary problem with using modeling to draw valid conclusions about the appropriate soil cleanup level is the lack of site-specific data which one can use to check assumptions about the health impact of lead in soils in the Granite City area.[7] Our proposal offers a methodology both for determining

---

[7] This concern is apparently shared by U.S. EPA. In the soil lead cleanup guidance, the agency states:

> In one case, a biokinetic uptake model developed by the Office of Air Quality Planning and Standards was used for a site-specific risk assessment. This approach was reviewed and approved by Headquarters for use at the site, based on the adequacy of data (due to continuing CDC studies conducted over many years). These data included all children's blood-lead levels collected over a period of several years, as well as family socio-economic status, dietary conditions, conditions of homes and extensive environmental lead data, also collected over several years. This amount of data allowed the Agency to use the model without the need for extensive default values. Use of the model thus allowed a more precise calculation of the level of cleanup needed to reduce the risk to children based on the amount of contamination from all sources, and the effect of contamination on blood-lead levels of children.

(continued...)

whether there has been an impact on human health and the environment and for reaching a consensus about an appropriate cleanup level. We accomplish this by performing a health assessment survey to eliminate the shortcomings manifest in U.S. EPA's use of the Integrated Uptake/Biokinetic Model and provide assurance that the factors used in our Exhibit B remain accurate representations of reality in the Granite City area.

We recognize that choosing the appropriate cleanup standard is not easy. However, the offer is without risk to the agency in that it achieves a cleanup within the range suggested by agency guidance. Parties that sign the consent decree are bound at the very least to perform a cleanup. Only data which favors a more stringent cleanup will affect the ultimate decision on the cleanup level. Our methodology will permit a cost-effective remedy protective of human health and the environment to be selected from the 500 to 1,000 ppm range.

To set a cleanup level, we would use the blood lead data in the following manner. First, we would determine what portion of the target population exhibited blood lead levels in excess of 15 μg/dl. If the percentage was 8.4% or less, we would assume that U.S. EPA's performance criteria for blood lead levels have been met and perform the cleanup to the 1,000 ppm level. If the percentage exceeded 8.4%, we would then use various linear regression tools and additional environmental assessment data to determine the appropriate cleanup. The first step in the determination would consist of using multiple linear regressions based on the data gathered in the health assessment survey to determine which environmental lead sources are the major contributors to blood lead. Then, a regression analysis would be performed to determine the relationship between soil lead and blood lead. To provide U.S. EPA with data to evaluate our result in light of the agency's Record of Decision, we also propose to confirm the results using the Integrated Uptake/Biokinetic Model (substituting real data values for default factors) and compare the results with those obtained through the linear regression analyses.

Our proposal for confirming the regression analyses by using the Integrated Uptake/Biokinetic Model requires agreement

---

[7] (...continued)

The study we propose will collect the data necessary to reduce dependence on default values, the type of dependence which led the agency astray in its use of the model for the Granite City area.

on the factors to be inserted in the model. As noted in Exhibit B, U.S. EPA used values with which we take issue. We assume that we and U.S. EPA can reach agreement on the appropriate values to be inserted in the model based on analysis of the health assessment survey data.

We also propose a factor to take into account that our study may demonstrate that a significant portion of the lead likely to be ingested in the area will not originate from the soil. As Exhibit B notes, for example, U.S. EPA failed to take into account other significant sources like paint. We cannot control other sources and should not be required to address contamination unrelated to the smelter itself, in particular, where other fixes would be considerably more cost-effective or will occur in the natural course of time. If lead paint, for example, is the major cause of the problem, the best solution is to address the paint. We are not wedded to any particular factor as long as the factor finally chosen fairly reflects the contribution of soil lead to blood lead levels and the health benefit to be gained by performing cleanup to a particular level.

To choose a factor which recognizes the multiple sources of lead, we propose the following methodology. The studies we perform will allow us to calculate the percentage of total blood lead levels resulting from soil lead. Historical data providing the range of blood lead levels implicit in the Integrated Uptake/Biokinetic Model provides a mechanism to determine what percentage of blood lead levels lie above a chosen standard, as demonstrated by U.S. EPA's use of the model in its Record of Decision. We would accept a cleanup level which reduces that fraction of the excess over the target level for which soil is responsible. This suggested soil lead factor would explicitly take into account what U.S. EPA presumed in its analysis. The agency stated that an 8.4% rate of excess blood levels was appropriate since the agency expected that contributions of other lead sources would also decrease. Our methodology would provide an objective standard by which to measure the relative contribution of each source. Once we have obtained the appropriate cleanup level, we will compare it to U.S. EPA's guidance document. If the lead level is above 1,000 ppm, we will nevertheless clean the soils to the 1,000 ppm level. If the level is below 1,000 ppm, we will clean to the calculated level or to 500 ppm, whichever is greater.

In summary, we believe our proposal specifically addresses all of the major concerns U.S. EPA raised in its comments to its Record of Decision regarding use of soil cleanup levels exceeding 500 ppm and provides a scientifically justifiable basis for setting a cleanup level without delay and

in a manner which protects human health and the environment. We are willing to negotiate with U.S. EPA a consent decree which will embody these principles.

C. Financial willingness and ability to perform.

By making this offer, we express a willingness to perform the RD/RA as we have proposed. Regarding the financial ability of the parties to this offer to finance the RD/RA, the parties include among their number major corporations listed on national stock exchanges. Annual reports or other security filings for these companies will be made available on request. The group also includes smaller companies which are not capable of financing the offer without the cooperation of the parties referenced above. In light of the involvement of other large corporations, however, this factor should not affect performance of the remedy. Also, we note the Consent Decree proposes financial security.

D. Selection of a contractor.

While many of us have staffs capable of conducting portions of the RD/RA, we intend to vest control of site activities in the hands of a competent environmental consultant who would be commissioned to undertake the proposed RD/RA in conjunction with other contractors suggested by the consultant and approved by us. The protocol we propose for selecting the consultant, which has been used by some of us at another lead smelter site, is as follows:

- Use a pre-bid qualification procedure to create a list of contractors to whom bid packages will be forwarded:
    - Determine which contractors have experience with RD/RAs for lead smelter sites or other sites where lead is present
    - Consider the industry reputation of contractors capable of performing the RD/RA
    - Consider specific recommendations from former and current clients of prospective contractors
- Submit bid packages to listed contractors soliciting information on the following:

- Costs for individual tasks
- A schedule for completion of the tasks
- Qualifications to perform the RD/RA
- Resumes for the team assigned to the RD/RA
- Review the bids according to a predetermined evaluation plan and select a contractor
- Obtain any necessary agency approval

IV. Matters which the parties to this offer have not had the opportunity to adequately address.

Several collateral issues are suggested by the attachments to the Record of Decision apart from concerns about the extent of the remedy. Given the tight schedule to consider central issues, we have not had the opportunity to fully consider the following matters.

A. De Minimis parties.

We have addressed issues which normally arise with respect to de minimis parties pursuant to 42 U.S.C. § 9622(g), such as the parameters for inclusion in a de minimis subgroup and premiums for releases. A subcommittee has been formed to finalize a plan and options are being considered. We believe an acceptable arrangement can be reached within the time frame of negotiating a final consent decree. We note, however, that only a fraction of entities likely to be included within the category have joined our group to date. Accordingly, it will be difficult to determine the likely success of our efforts until an offer is disseminated and considered by interested parties.

B. Agency allocation.

We have not yet addressed two concerns regarding allocation among those identified by U.S. EPA as potentially responsible parties. The first issue concerns allocation of costs between the site owner/operators and their former customers. The offer remains contingent on an interim settlement. Nevertheless, we are confident that the parties can reach at the very least an interim funding agreement reasonable under the circumstances which will permit all parties to

cooperate in remedial activities at the site pursuant to a consent decree.

The second issue concerns the allocation assigned by U.S. EPA for smelter customers and vendors. Because the parties have been focusing their efforts on organizing and reaching consensus on a good faith offer, they have not had the time or opportunity to review the documentation on which U.S. EPA's customer list is based. Accordingly, this offer is also contingent on these parties reaching agreement on appropriate allocation of costs. In this context there are a number of issues to consider. We note that the documents examined by U.S. EPA or its contractors cover a relatively insubstantial period of time during which the smelter operated. Thus, the documents do not take into account all customers or vendors which may have used the site, and the percentages reflect only the relative use of the site by customers or vendors during the period covered by the documents, and then only to the extent that the documents are complete for that period. It may be necessary for the agency to notify other parties of their potential liability if they are identified as using the site at periods for which documents do not exist. Furthermore, many of the customers and vendors currently identified by U.S. EPA as potentially responsible parties were not customers or vendors for many years during which it operated. Accordingly, any percentage scheme may have to be adjusted to account for the potential inequity of extrapolating to years for which records are not available.

We have formed an allocation committee which has begun work to address these issues. With appropriate cooperation on the part of the agency in obtaining copies of documents, we believe our tasks can be completed in a timely matter as necessary to fashion a Consent Decree.

V. Conclusion.

U.S. EPA has requested that parties making an offer provide a contact person for future negotiations. We have created a team for negotiations and request that you channel all contacts regarding the site to counsel for Johnson Controls, Inc.:

Dennis P. Reis, Esq.
Sidley & Austin
One First National Plaza
Suite 5400
Chicago, IL 60603
(312) 853-2659

We look forward to your cooperation in reaching a good faith settlement.

Yours very truly,

Dennis P. Reis

DPR:jdt

Enclosures

cc: Steven Siegel
Parties listed on Exhibit A
Site PRP Group